

109TH CONGRESS
1ST SESSION

H. R. 3917

To provide for payment by large employers for employees, and spouses and dependents of employees, who are covered under the Medicaid Program or SCHIP.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 27, 2005

Mr. PALLONE introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To provide for payment by large employers for employees, and spouses and dependents of employees, who are covered under the Medicaid Program or SCHIP.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Large Employer Med-
5 icaid and SCHIP Responsibility Act of 2005”.

1 **SEC. 2. LARGE EMPLOYER RESPONSIBILITY FOR MEDICAID**
2 **AND SCHIP COVERAGE OF EMPLOYEES AND**
3 **THEIR DEPENDENTS.**

4 (a) IN GENERAL.—Notwithstanding any other provi-
5 sion of law, any large employer that employs one or more
6 employees who are enrolled (or any of whose spouses or
7 dependent children are enrolled) under medicaid or
8 SCHIP for a month in a year is liable to the Secretary
9 of Health and Human Services for payment of the penalty
10 computed under subsection (b)(4) with respect to each
11 such employee, spouse, or dependent. Such payment shall
12 be made on a quarterly basis for months in each quarter
13 in a form and manner specified by the Secretary and shall
14 be payable to States in accordance with subsection (d).

15 (b) AMOUNT OF PER CAPITA PENALTY.—

16 (1) COMPUTATION OF MONTHLY AVERAGE
17 COSTS FOR ADULTS AND CHILDREN.—The Secretary
18 shall compute for months in each year for each
19 State a monthly average cost of providing acute care
20 under medicaid and SCHIP for a month in the year
21 for—

22 (A) an adult who is not disabled and is
23 under 65 years of age; and

24 (B) a child.

25 (2) ADMINISTRATIVE FACTOR FOR COSTS OF
26 PROGRAM.—The Secretary shall compute an esti-

1 mate of the average monthly per capita cost of ad-
2 ministering this section in a year, including costs re-
3 lating to collection of the penalty under this section
4 and enforcement of such penalty.

5 (3) ADJUSTED MONTHLY AVERAGE COST PER
6 COVERED EMPLOYEE OR SPOUSE OR CHILD.—The
7 Secretary shall compute an adjusted monthly aver-
8 age cost for a month in a year for an employee, or
9 spouse of an employee, and for a dependent child in
10 each State equal to the sum of—

11 (A) 80 percent of the amount computed
12 under subparagraph (1) for an adult or child,
13 respectively; and

14 (B) the monthly per capita cost computed
15 under paragraph (2).

16 (4) PENALTY AMOUNT.—The amount of the per
17 capita penalty under this paragraph for an employer
18 for a month in a year for an employee (or spouse
19 of an employee) or a dependent child is equal to the
20 adjusted monthly average cost for such employee,
21 spouse, or dependent child computed under para-
22 graph (3).

23 (c) ENFORCEMENT.—Penalties imposed under this
24 section may be collected in the same manner as civil

1 money penalties may be collected under section 1128A of
2 the Social Security Act.

3 (d) PAYMENT TO STATE PROVIDING MEDICAID OR
4 SCHIP ASSISTANCE.—The Secretary shall provide for the
5 distribution of penalties paid under this section with re-
6 spect to an employee, spouse, or child covered under med-
7 icaid or SCHIP in a State to such State.

8 (e) DEFINITIONS.—For purposes of this section:

9 (1) EMPLOYEE.—The term “employee” means,
10 with respect to an employer, an individual who is
11 employed by the employer for an average of at least
12 40 hours a week and has been so employed by that
13 employer for at least 3 months.

14 (2) LARGE EMPLOYER.—The term “large em-
15 ployer” means an employer that has 50 or more em-
16 ployees.

17 (3) MEDICAID.—The term “medicaid” means a
18 State plan under title XIX of the Social Security
19 Act.

20 (4) SCHIP.—The term “SCHIP” means a
21 State child health insurance program under title
22 XXI of the Social Security Act.

23 (5) SECRETARY.—The term “Secretary” means
24 Secretary of Health and Human Services.

1 (6) STATE.—The term “State” has the mean-
2 ing given such term for purposes of title XIX of the
3 Social Security Act.

4 (f) EFFECTIVE DATE.—This section shall apply to
5 employers for months beginning with January 2006.

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